

Early Morning Update

The Jul '21 natural gas contract is trading up \$0.02 at \$3.15. The Jul '21 crude oil contract is up \$0.13 at \$70.09.

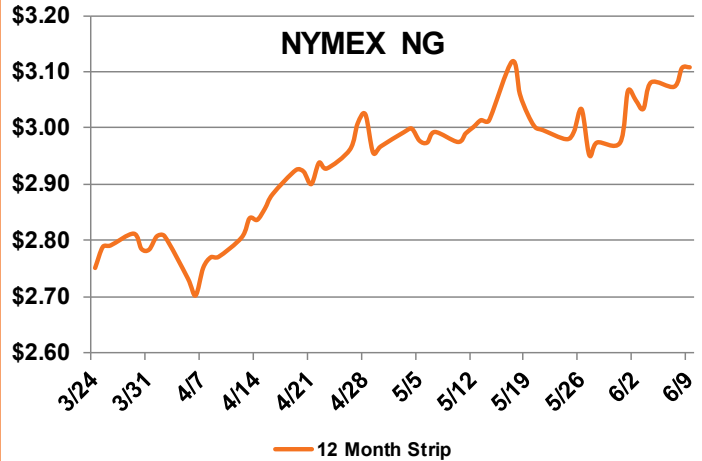
Summary: The Jul'21 prompt month contract remained flat day over day, settling at \$3.129 yesterday. Similarly, all of the outer calendar strips also experienced lackluster movement yesterday and moved a penny or less. This minimal movement could be due to the limited revisions to the short term weather forecasts with heat still projected to hold in the central US for the remainder of this week, and then shift to the West by next week. As we progress through 2021, the sentiment in the market has certainly shifted to a more bullish tone. This bullish shift has resulted from an increase in natural demand, largely driven by the recovery of the industrial sector, as well as a bump in power gen demand from the early June heat. While natural gas demand continues to trend higher year-over-year, we aren't seeing the same thing happen for production. Natural gas production has been struggling to return to pre-pandemic levels of 95-96 bcf/d, and instead have been hovering around 90-91 bcf/d as of late. Higher demand, warmer temperatures, and lower year-over-year production is leading to strength in the NYMEX market. Natural gas storage levels have also been affected by these compounding factors as we continue to trail the 5 year average and 2020 levels. Today market participants are expecting an injection of 88 Bcf to be reported, which again would trail the 5 year average injection of 92 Bcf for this same week.

Bullish Factors

- Near-record LNG exports
- High exports to Mexico
- Storage deficits

Bearish Factors

- Coronavirus impacts on demand
- Strong production
- Milder weather



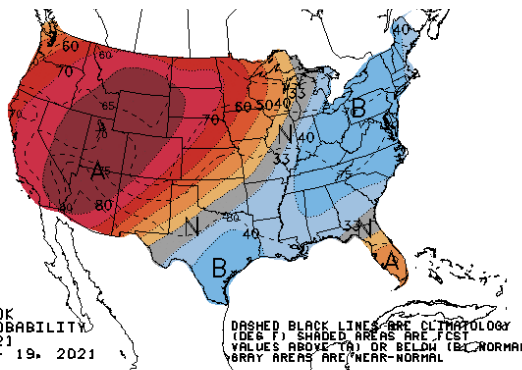
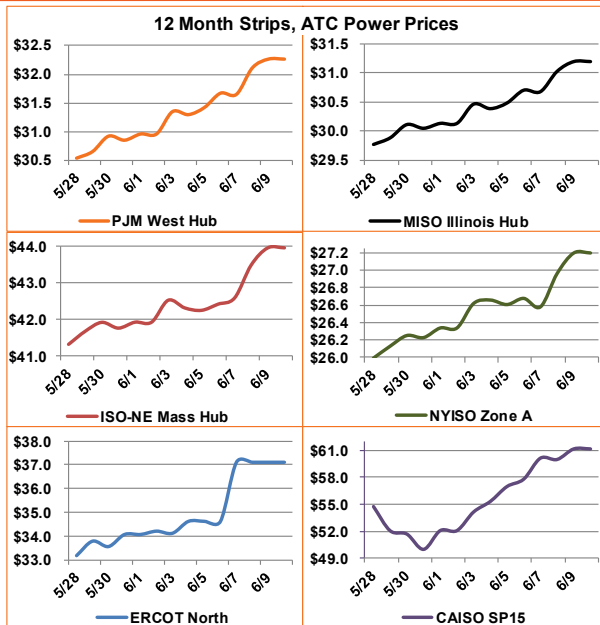
Next Day On-Peak Power (traded for 6/10/2021)

ISO-NE Mass Hub \$37.57	MISO Indiana Hub \$46.92	NYISO Zone G \$40.14
PJM West Hub \$37.01	ERCOT North \$34.20	CAISO SP15 \$25.33

NYMEX NG	Close	Change
Jul-21	3.129	0.001
Aug-21	3.144	0.004
12-Month	3.108	0.001
Cal 22	2.923	-0.007
Cal 23	2.713	-0.010

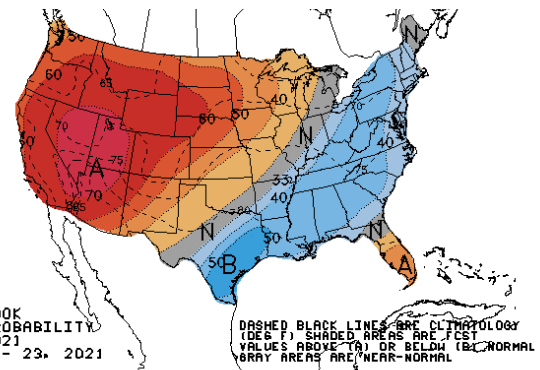
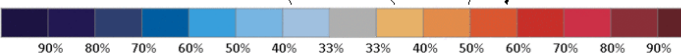
EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,313	2,215	2,699	2,374
Diff v. Current		98	-386	-61
% Diff			-14.3%	-2.6%



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 9 JUN 2021
VALID JUN 15 - 19, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE FCST VALUES ABOVE (TR) OR BELOW (BL) NORMAL. HATCHED AREAS ARE NEAR-NORMAL.



8-14 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 9 JUN 2021
VALID JUN 17 - 23, 2021

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE FCST VALUES ABOVE (TR) OR BELOW (BL) NORMAL. HATCHED AREAS ARE NEAR-NORMAL.

